

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GALLATIN COUNTY)
WATER DISTRICT FOR THE APPROVAL OF)
INCREASED MONTHLY RATES AND FOR) CASE NO. 2011-00378
APPROVAL OF AN INCREASE IN ITS METER)
CONNECTION FEE)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO GALLATIN COUNTY WATER DISTRICT

Pursuant to 807 KAR 5:001, Gallatin County Water District ("Gallatin District") shall file with the Commission within 14 days of the date of this Order the original and four copies of the following information, with a copy to all parties of record. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Gallatin District shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Gallatin District fails or refuses to furnish all or part of the requested information, Gallatin District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. List all electric utilities that supply electric power to Gallatin District.
2. On January 14, 2011, the Commission authorized Owen Electric Cooperative, Inc. ("Owen") to increase its rates for electric service.¹ Provide a copy of each billing invoice for electric power that Owen issued to Gallatin District for the period from November 1, 2009 through April 30, 2011.
3.
 - a. Identify each county whose judge/executive has legal authority to appoint a member to Gallatin District's Board of Commissioners.
 - b. Provide the resolutions or minutes of Gallatin County Fiscal Court in which that Court authorized the present salary level of Gallatin District's commissioners.
 - c. Provide the resolutions or minutes of all other county fiscal courts that have jurisdiction over the salary paid to Gallatin District's commissioners in which those courts authorized the current salary level of Gallatin District's commissioners.

¹ Case No. 2010-00179, Owen Electric Cooperative, Inc. Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment (Ky. PSC Jan. 14, 2011).

4. Explain why Gallatin District pays Commissioner Satchwell a salary of \$3,600 but pays its other commissioners a salary of \$1,800.

5. Refer to Gallatin District's Application, Exhibit 13.

a. (1) Explain how Gallatin District determined the amount of the 399,600 gallons of water listed in the "Monthly Water Use Report" for January 2010 as "Unsold Water Used."

(2) Explain why Gallatin District did not report this amount in the category "Line Breaks."

b. (1) Explain how Gallatin District determined the amount of the 494,470 gallons of water listed in the "Monthly Water Use Report" for March 2010 as "Unsold Water Used."

(2) Explain why Gallatin District did not report this amount in the category "Line Breaks."

(3) Describe the "customer leak."

(4) Describe the "vera cruz leak."

c. (1) Explain how Gallatin District determined the amount of the 177,000 gallons of water listed in the "Monthly Water Use Report" for April 2010 as "Unsold Water Used."

(2) Explain why Gallatin District did not report this amount in the category "Line Breaks" or "Tank Overflows."

(3) Explain the meaning of the reference "ambrose tank."

(4) Explain the meaning of the reference "reg st. Roberts road."

d. Explain why the “total produced and purchased” on the “Monthly Water Use Report” for May 2010 does not equal the sum of “total water sold,” “total unsold water used,” and “total water lost.”

e. (1) Explain how Gallatin District determined the amount of the 7,500 gallons of water listed in the “Monthly Water Use Report” for June 2010 as “Unsold Water Used.”

(2) Explain why Gallatin District did not report this amount in the category “Line Breaks.”

(3) Explain the meaning of the reference “fair grounds leak.”

f. (1) Explain how Gallatin District determined the amount of the 923,340 gallons of water listed in the “Monthly Water Use Report” for August 2010 as “Unsold Water Used.”

(2) Explain why Gallatin District did not report this amount as “water lost.”

(3) Explain the meaning of the reference “Key punch error.”

(4) Explain the meaning of the reference “service line leak Hwy 16 & 4.”

(5) Explain why the “total produced and purchased” on the “Monthly Water Use Report” for August 2010 does not equal the sum of “total water sold,” “total unsold water used,” and “total water lost.”

g. (1) Explain how Gallatin District determined the amount of the 74,003 gallons of water listed in the “Monthly Water Use Report” for October 2010 as “Unsold Water Used.”

(2) Explain why Gallatin District did not report this amount as “water lost.”

(3) Explain the meaning of the reference “construction.”

(4) Explain the meaning of the reference “service line leak.”

(5) Describe how Gallatin District calculated the reading adjustment of 164,540 gallons.

h. (1) Explain how Gallatin District determined the amount of the 12,000 gallons of water listed in the “Monthly Water Use Report” for November 2010 as “Unsold Water Used.”

(2) Explain why Gallatin District did not report this amount as “water lost.”

(3) Explain the meaning of the reference “1992 line extension.”

6. Explain the basis for Gallatin District’s belief that mis-read meters are responsible for differences between the water usage set forth in the billing analysis and monthly use reports and the water usage set forth in Gallatin District’s annual report.

7. Identify all transactions from January 1, 2010 to December 31, 2011 in which Gallatin District purchased goods or services from members of its Board of Commissioners or persons related to the members of its Board of Commissioners.

8. Refer to Gallatin District’s Application, Exhibit 12.

a. Provide the invoices or bids upon which each item in “Materials Expense” is based.

b. Describe how Gallatin District determined the total hours of labor for "Short Side Service" and "Long Side Service" in "Installation Expense." Show all calculations and state all assumptions used.

c. Describe how Gallatin District determined that the hourly rate of \$34 was the appropriate rate to use to determine total labor cost. Show all calculations and state all assumptions used.

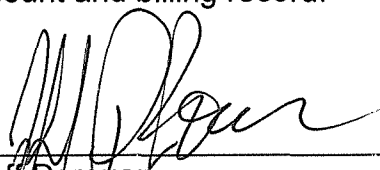
d. Describe how Gallatin District determined the total hours used to determine equipment cost.

e. Describe how Gallatin District determined the hourly rate of \$15 was the appropriate rate to determine total equipment cost.

f. Describe how Gallatin District determined the hourly rate of \$50 was the appropriate rate to determine site clean-up cost.

g. Describe the actions that must be taken to establish a new account and billing record.

h. Describe how Gallatin District determined that \$18.45 represented the administrative expense to establish a new account and billing record.



Jeff Derouen
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Public Service Commission
P.O. Box 615
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DATED: JAN 18 2012

cc: Parties of Record

Case No. 2011-00378

Vic Satchwell
Chairman
Gallatin County Water District
4500 Highway 455
Sparta, KY 41086